

GIL GUTKNECHT  
1ST DISTRICT, MINNESOTA



**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-2301

July 22, 1999

Mr. Louis V. Gerstner, Jr.  
Chairman & CEO  
International Business Machines Corporation  
New Orchard Road  
Armonk, New York 10504

Dear Mr. Gerstner:

I have long admired IBM as an industry leader and as an American success story built on hard work and innovation. For those reasons I was disappointed to learn about changes to IBM's pension plan which will have a tremendous impact on employees who have dedicated many years of quality service to IBM.

First, let me say that I generally have no problem with companies that convert from defined benefit plans to defined contribution plans. I understand that companies must have the ability to meet the demands of today's changing workforce. Cash benefit plans are one such way that companies such as IBM can attract new employees.

However, I do take exception to the manner in which IBM has decided to implement its new plan. I do not think changes to IBM's pension plan should come at the expense of older workers. It is regrettable that IBM did not give all employees a choice of whether to switch or to remain with the old system.

Often decisions that look good and make sense on paper have a very different effect once they are implemented and felt by real people. IBM's new pension plan is one such example. It is also not without precedent for the smartest and brightest people in successful companies to admit they made a mistake.

On behalf of the affected IBM employees in Minnesota's First Congressional District, I respectfully ask you to reconsider these new changes.

Sincerely,

Gil Gutknecht  
Member of Congress

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